

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291

50130011
Task ID# 3904
cc: Leslie
Paul.

APPLICATION FOR TRANSFER
OF
NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

Application is hereby made to transfer the permit to commence small mining operations for the Castle Peak mine, permit # S/013/011, currently operated by Castle Peak Exploration, LLC (transferor) to Lance/Conn, LLC (transferee).

As used herein, TRANSFEROR refers to the current operator, TRANSFEE refers to the proposed new operator, NOI refers to the Notice of Intention to Commence Large Mining Operations; PERMIT refers to the approved (or accepted) NOI, including the reclamation contract and reclamation surety.

Upon approval of the Application for Transfer:

1. The Transferor agrees to transfer all rights and obligations to operate under the terms of the NOI to the Transferee, The Transferor will not retain any rights to conduct mining operations within the area covered by the approved NOI.
2. Both parties understand the transfer of the ***NOI is not complete until all the applicable requirements are met***, including the submittal and Division approval of an appropriate reclamation surety and a reclamation contract.
3. The transferee has read and has a copy of the current NOI.
4. The Transferee has inspected the site and is fully aware of all existing conditions and responsible for compliance with the conditions of the permit and the obligations regardless of the nature of the conditions at the site.
5. Transferee shall conduct mining operations on lands included in the NOI in accordance with the Utah Mined Land Reclamation Act, (ACT) Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended), and the rules promulgated under the ACT (R647- et seq., and the approved NOI.
6. The Transferee shall provide a surety in a form and amount approved by the Division to assure reclamation of the lands affected by the mining operations.

The **Transferor** will remain liable for compliance at the mine site until this transfer application is approved.

RECEIVED

DEC 20 2010

Div. of Oil, Gas & Mining

The signatory below represents that he/she has authority to execute this transfer on behalf of the Transferor, if not a natural person. Statements made in the application are true and correct to the best of my knowledge and belief.

TRANSFEROR:

Marc Nelson Castle Peak Exploration, LLC
Operator/Transferor Name

By Marc Nelson
Name of Authorized Officer (Typed or Printed)

Manager
Title of Authorized Officer

[Signature] 12/20/2010
Officer's Signature Date

STATE OF Utah)

) ss:

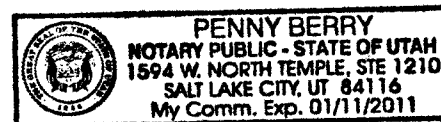
COUNTY OF Salt Lak)

On the 20 day of Dec., 20 10, Marc Nelson
personally appeared before me, who being by me duly sworn did say that he/she is
an Manager (owner, officer, director, partner, agent or other (specify))
of the Operator Castle Peak Exp LLC
and duly acknowledged that said instrument was signed on behalf of said Operator
by authority of its bylaws, a resolution of its board of directors, or as may otherwise
be required to execute the same with full authority and to be bound hereby.

Penny Berry
Notary Public

SL County
Residing at

1/11/2011
My Commission Expires:



The signatory below represents that he/she has authority to execute this transfer on behalf of the Operator/Transferee, if not a natural person; and the operator/transferee is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah. Statements made in the application are true and correct to the best of my knowledge and belief.

TRANSFeree:

Lance / Conn, LLC

Operator/Transferor Name

By Terry Reed Lance

Name of Authorized Officer (Typed or Printed)

Partner

Title of Authorized Officer

* Terry Lance

Officer's Signature

12/20/2010
Date

STATE OF Utah)

) ss:

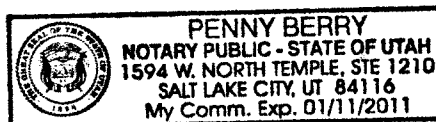
COUNTY OF Salt Lake)

On the 20 day of Dec, 2010, Terry Lance
personally appeared before me, who being by me duly sworn did say that he/she is
an Partner (owner, officer, director, partner, agent or other (specify))
of the Operator Lance/Conn LLC
and duly acknowledged that said instrument was signed on behalf of said Operator
by authority of its bylaws, a resolution of its board of directors, or as may otherwise
be required to execute the same with full authority and to be bound hereby.

Penny Berry
Notary Public

Salt Lake
Residing at

1/11/2011
My Commission Expires:



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program. (R647-3-et seq.)

These pages will replace the corresponding pages in the original NOI.

1. GENERAL INFORMATION

1. Name of Mine: Castle Peak
2. Legal name of entity (or individual) for whom the permit is being requested: Lance-Conn LLC
Mailing Address: Box 162
City, State, Zip: Duchesne, Ut. 84021
Phone: 435-733-0159 Fax: 435-738-5394
E-mail Address: lance@ubtanet.com

Type of Business:

Corporation _____, LLC ☒, Partnership – general _____ or limited _____,
Sole Proprietorship (dba) _____, or Individual _____

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC).

Are you currently registered to do business in the State of Utah? Yes ☒ No _____

Entity # 6988072-0160

If no, contact DOC at www.commerce.utah.gov to renew or apply.

Local Business License #: _____ (if required)

Issued by: City: _____ or County: _____

If Business is a Sole Proprietor:

Name of owner: _____ Title: _____

Business Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

If Business is a Partnership:

Name of Partner: _____

Business Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

If Business is a Corporation:

Name of Officers: _____ Title: _____

Corporate Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Limited Liability Company: Member Managed ☒ Manager Managed _____

Name of 1st Member/Manager: Terry Lance Title: partner
Business Address: Box 162
City, State, Zip: Duch UT 84021
Phone: 435-733-0159 Fax: 435-738-5394
E-mail Address: lance@kbtanet.com

2nd Member/Manager: Russ Conn Title: partner
Business Address: Box 923
City, State, Zip: Duch UT 84021
Phone: 435-733-0308 Fax: _____
E-mail Address: russconn@strata.net.conn

2. Contacts:

This person may be notified for: permitting _____ surety _____ Notices _____
(please check all that apply)

Name: _____ Title: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
Emergency, Weekend, or Holiday Phone: _____
E-mail Address: _____

This person may be notified for: permitting _____ surety _____ Notices _____
(please check all that apply)

Name: _____ Title: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
Emergency, Weekend, or Holiday Phone: _____
E-mail Address: _____

Registered Utah Agent (as identified with the Utah Dept of Commerce) (if individual leave blank):

Name: _____ Title: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

3. Certification:

This certification must be signed by: (1.) an executive officer if the applicant is a corporation; (2.) a partner if applicant is a partnership (general or limited); (3.) the owner if applicant is a sole proprietorship; (4.) the member or manager if applicant is a limited liability company; or (5) the individual if the applicant is filing as an individual:

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- a. I will follow the approved mining and reclamation plan that was submitted by Castle Peak Exploration, LLC (transferor), until such time that I provide the Division with an amended Notice of Intention and receive approval of the amended Notice; AND
- b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

Signature: Terry Lance Date: 12-20-10

Name (typed or printed): Terry Lance

Title/Position (if applicable): partner